

**Illinois Housing Development Authority**  
**Internal Audit Department**  
**Audit Committee Minutes**  
**June 20, 2025**

- For the Audit Committee and Board of Directors: Tom Morsch, Committee Chair  
King Harris, Chairman of the Board  
Daniel Hayes, Committee Member  
Brice Hutchcraft, Committee Member  
Luz Ramirez, Board Member  
Sonia Berg, Board Member  
Sam Tornatore, Committee Member
- For the Authority: Kristin Faust, Executive Director  
Lawrence Grisham, Assistant Executive Director  
Christina McClernon, General Counsel  
Christina Lopez, Chief Internal Auditor  
Seth Runkle, Chief Financial Officer

The meeting was called to order at 9:00 A.M. by Mr. Morsch.

- I. Roll Call  
Ms. Synowiecki performed the roll call.
- II. Approval of Audit Committee Minutes from January 17, 2025  
Mr. Morsch presented the Audit Committee minutes. The minutes were approved as submitted.
- III. FY2024-2025 Revised Audit Plan  
Ms. Lopez presented the two proposed revisions to the FY2024-2025 Audit Plan. There were two changes: The month-end close audit was moved to FY26 to accommodate transactions that have not yet occurred in FY2025 that need to be tested. The First Mortgage Underwriting audit was removed from the audit plan and will be included as part of the Multifamily Programs audit. The FY2024-2025 revised audit plan was approved.
- IV. FY2025 Audit Plan Status Report  
Ms. Lopez presented the FY2025 Audit Plan status report. Since December, there have been four issued audits. There are five audits remaining in progress.
- V. FY2026-2027 Proposed Audit Plan  
Ms. Lopez presented the FY2026-2027 Audit Plan. The FY26-27 risk assessment was completed by leadership staff in AuditBoard. IT risks were assessed in a separate exercise. The results of the risk assessments were used, in part with the Chief Internal Auditor's judgment, as the foundation for the audit plan. The plan is flexible, and Internal Audit will continue to seek approval from the Audit Committee and the Executive Director if there are any changes.  
Ms. Faust stated that the risk assessment process was an organizational-wide effort. Leadership staff spent time evaluating their critical activities and Internal Audit uses the

feedback they provide to understand the risk level. Mr. Morsch stated it is a good process and more robust than in the past. The FY2026-2027 audit plan was approved.

VI. Open Findings Status Report

Ms. Lopez presented the Open Findings Status Report and provided an overview of the findings that were due in this quarter. Mr. Hutchcraft stated concern for HR-related findings on a past financial audit and in internal audits. Ms. Lopez noted that there is one overdue finding that has already been drafted and is waiting for approval from the policy committee to be resolved.

VII. Internal Audit Reports

#2025-003 Benefits and Salary Administration

Ms. Lopez provided an overview of the audit. Ms. Kartes provided context and addressed questions related to the findings. Mr. Morsch inquired about the findings rating process. Ms. Lopez determined that certain findings were determined to be high risk based off their involvement and significance to the overall process. Ms. Berg inquired about the audit frequency. Ms. Lopez noted that audits that are considered high-risk and major systems are required by the Fiscal Control and Internal Auditing Act (FCIAA) to perform at least once every two years. She added that follow-up is also performed, and testing is required for resolution of high-risk findings.

#2025-005 Cybersecurity Assessment

Ms. Lopez provided an overview of the audit and stated that Baker Tilly performed the audit. There were four high risk findings. Ms. Lopez stated that there are ongoing quarterly meetings to discuss resolutions for third-party risk management issues.

#2025-004 Investments

Ms. Lopez provided an overview of the audit and went over the three high-risk findings. Mr. Runkle noted that the first two findings have been remediated, and the final finding is in progress.

#2025-006 Fiscal Administration, Monitoring for Developments, and Risk Management of Troubled Properties

Ms. Lopez stated there was one high risk finding.

VIII. Informational Updates

A new Internal Audit manager has been hired this quarter.

All auditors are on track with obtaining their Continuing Professional Education (CPE) requirements.

IX. External Audit Update by Finance

Mr. Jalaluddin gave a presentation on the FY25 financial and federal single audit plan. This is the final year in the six-year cycle performed by Clifton Larson Allen. The external audit contract is solely managed by the Office of the Auditor General (OAG). This fiscal year audit is the first time using Oracle. Mr. Jalaluddin provided an audit timeline. Ms. Faust noted that the aggressive schedule and timeline was met last year. She commended the staff for showing substantial progress in meeting deadlines. Mr. Grisham added it has been a whole organizational effort that makes it possible.

The meeting adjourned at approximately 9:37 A.M.